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HOUSE BILL 2891

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State of Washington                      60th Legislature                      2008 Regular Session

By Representative Hunter

Read first time 01/17/08. Referred to Committee on Capital Budget.

1            AN ACT Relating to state budget appropriations in lieu of state  
2 sales and use tax credits for public facilities districts; amending RCW  
3 82.14.390; reenacting and amending RCW 82.14.390; repealing RCW  
4 82.14.485; making appropriations; providing an effective date; and  
5 providing an expiration date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7            NEW SECTION.    **Sec. 1.** The sum of eighteen million dollars, or as  
8 much thereof as may be necessary, is appropriated for the fiscal year  
9 ending June 30, 2009, from the state building construction account to  
10 the City of Kent to acquire, construct, own, remodel, maintain, equip,  
11 reequip, repair, finance, and operate a regional center, as defined in  
12 RCW 35.57.020.

13            NEW SECTION.    **Sec. 2.** (1) The sum of twelve million dollars, or as  
14 much thereof as may be necessary, is appropriated for the fiscal year  
15 ending June 30, 2009, from the state building construction account to  
16 the Yakima convention center public facilities district to acquire,  
17 construct, own, remodel, maintain, equip, reequip, repair, finance, and  
18 operate a regional center to be used for community events, and

1 artistic, musical, theatrical, or other cultural exhibitions,  
2 presentations, or performances and having two thousand or fewer  
3 permanent seats.

4 (2) Distributions under this section must be used for the purposes  
5 set forth in RCW 35.57.020 and must be matched with an amount from  
6 other public or private sources equal to four million dollars, provided  
7 that amounts generated from nonvoter-approved taxes authorized under  
8 chapter 35.57 RCW may not constitute a public or private source. For  
9 the purpose of this section, public or private sources include, but are  
10 not limited to, cash or in-kind contributions used in all phases of the  
11 development or improvement of the regional center, land that is donated  
12 and used for the siting of the regional center, cash or in-kind  
13 contributions from public or private foundations, or amounts attributed  
14 to private sector partners as part of a public and private partnership  
15 agreement negotiated by the public facilities district.

16 (3) For the purpose of this section, "regional center" has the  
17 meaning provided in RCW 35.57.020.

18 NEW SECTION. **Sec. 3.** (1) The sum of nine million dollars, or as  
19 much thereof as may be necessary, is appropriated for the fiscal year  
20 ending June 30, 2009, from the state building construction account fund  
21 to the Cowlitz county public facilities district to acquire, construct,  
22 own, remodel, maintain, equip, reequip, repair, finance, and operate a  
23 regional center to be used for community events, and artistic, musical,  
24 theatrical, or other cultural exhibitions, presentations, or  
25 performances and having two thousand or fewer permanent seats.

26 (2) Distributions under this section must be used for the purposes  
27 set forth in RCW 35.57.020 and must be matched with an amount from  
28 other public or private sources equal to three million dollars,  
29 provided that amounts generated from nonvoter-approved taxes authorized  
30 under chapter 35.57 RCW may not constitute a public or private source.  
31 For the purpose of this section, public or private sources include, but  
32 are not limited to, cash or in-kind contributions used in all phases of  
33 the development or improvement of the regional center, land that is  
34 donated and used for the siting of the regional center, cash or in-kind  
35 contributions from public or private foundations, or amounts attributed  
36 to private sector partners as part of a public and private partnership  
37 agreement negotiated by the public facilities district.

1 (3) For the purpose of this section, "regional center" has the  
2 meaning provided in RCW 35.57.020.

3 **Sec. 4.** RCW 82.14.390 and 2007 c 486 s 2 are each amended to read  
4 as follows:

5 (1) Except as provided in subsection (6) of this section, the  
6 governing body of a public facilities district (a) created before July  
7 31, 2002, under chapter 35.57 or 36.100 RCW that commences construction  
8 of a new regional center, or improvement or rehabilitation of an  
9 existing new regional center, before January 1, 2004; (b) created  
10 before July 1, 2006, under chapter 35.57 RCW in a county or counties in  
11 which there are no other public facilities districts on June 7, 2006,  
12 and in which the total population in the public facilities district is  
13 greater than ninety thousand that commences construction of a new  
14 regional center before February 1, 2007; (c) (~~created under the~~  
15 ~~authority of RCW 35.57.010(1)(d); or (d)~~) created before September 1,  
16 2007, under chapter 35.57 or 36.100 RCW, in a county or counties in  
17 which there are no other public facilities districts on July 22, 2007,  
18 and in which the total population in the public facilities district is  
19 greater than seventy thousand, that commences construction of a new  
20 regional center before January 1, 2009, may impose a sales and use tax  
21 in accordance with the terms of this chapter. The tax is in addition  
22 to other taxes authorized by law and shall be collected from those  
23 persons who are taxable by the state under chapters 82.08 and 82.12 RCW  
24 upon the occurrence of any taxable event within the public facilities  
25 district. The rate of tax shall not exceed 0.033 percent of the  
26 selling price in the case of a sales tax or value of the article used  
27 in the case of a use tax.

28 (2) The tax imposed under subsection (1) of this section shall be  
29 deducted from the amount of tax otherwise required to be collected or  
30 paid over to the department of revenue under chapter 82.08 or 82.12  
31 RCW. The department of revenue shall perform the collection of such  
32 taxes on behalf of the county at no cost to the public facilities  
33 district.

34 (3) No tax may be collected under this section before August 1,  
35 2000. The tax imposed in this section shall expire when the bonds  
36 issued for the construction of the regional center and related parking

1 facilities are retired, but not more than twenty-five years after the  
2 tax is first collected.

3 (4) Moneys collected under this section shall only be used for the  
4 purposes set forth in RCW 35.57.020 and must be matched with an amount  
5 from other public or private sources equal to thirty-three percent of  
6 the amount collected under this section, provided that amounts  
7 generated from nonvoter approved taxes authorized under chapter 35.57  
8 RCW or nonvoter approved taxes authorized under chapter 36.100 RCW  
9 shall not constitute a public or private source. For the purpose of  
10 this section, public or private sources includes, but is not limited to  
11 cash or in-kind contributions used in all phases of the development or  
12 improvement of the regional center, land that is donated and used for  
13 the siting of the regional center, cash or in-kind contributions from  
14 public or private foundations, or amounts attributed to private sector  
15 partners as part of a public and private partnership agreement  
16 negotiated by the public facilities district.

17 (5) The combined total tax levied under this section shall not be  
18 greater than 0.033 percent. If both a public facilities district  
19 created under chapter 35.57 RCW and a public facilities district  
20 created under chapter 36.100 RCW impose a tax under this section, the  
21 tax imposed by a public facilities district created under chapter 35.57  
22 RCW shall be credited against the tax imposed by a public facilities  
23 district created under chapter 36.100 RCW.

24 (6) A public facilities district created under chapter 36.100 RCW  
25 is not eligible to impose the tax under this section if the legislative  
26 authority of the county where the public facilities district is located  
27 has imposed a sales and use tax under RCW 82.14.0485 or 82.14.0494.

28 **Sec. 5.** RCW 82.14.390 and 2007 c 486 s 2 and 2007 c 6 s 904 are  
29 each reenacted and amended to read as follows:

30 (1) Except as provided in subsection (7) of this section, the  
31 governing body of a public facilities district (a) created before July  
32 31, 2002, under chapter 35.57 or 36.100 RCW that commences construction  
33 of a new regional center, or improvement or rehabilitation of an  
34 existing new regional center, before January 1, 2004; (b) created  
35 before July 1, 2006, under chapter 35.57 RCW in a county or counties in  
36 which there are no other public facilities districts on June 7, 2006,  
37 and in which the total population in the public facilities district is

1 greater than ninety thousand that commences construction of a new  
2 regional center before February 1, 2007; (c) (~~created under the~~  
3 ~~authority of RCW 35.57.010(1)(d); or (d)~~) created before September 1,  
4 2007, under chapter 35.57 or 36.100 RCW, in a county or counties in  
5 which there are no other public facilities districts on July 22, 2007,  
6 and in which the total population in the public facilities district is  
7 greater than seventy thousand, that commences construction of a new  
8 regional center before January 1, 2009, may impose a sales and use tax  
9 in accordance with the terms of this chapter. The tax is in addition  
10 to other taxes authorized by law and shall be collected from those  
11 persons who are taxable by the state under chapters 82.08 and 82.12 RCW  
12 upon the occurrence of any taxable event within the public facilities  
13 district. The rate of tax shall not exceed 0.033 percent of the  
14 selling price in the case of a sales tax or value of the article used  
15 in the case of a use tax.

16 (2)(a) The governing body of a public facilities district imposing  
17 a sales and use tax under the authority of this section may increase  
18 the rate of tax up to 0.037 percent if, within three fiscal years of  
19 July 1, 2008, the department determines that, as a result of RCW  
20 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020,  
21 a public facilities district's sales and use tax collections for fiscal  
22 years after July 1, 2008, have been reduced by a net loss of at least  
23 0.50 percent from the fiscal year before July 1, 2008. The fiscal year  
24 in which this section becomes effective is the first fiscal year after  
25 July 1, 2008.

26 (b) The department shall determine sales and use tax collection net  
27 losses under this section as provided in RCW 82.14.500 (2) and (3).  
28 The department shall provide written notice of its determinations to  
29 public facilities districts. Determinations by the department of a  
30 public facilities district's sales and use tax collection net losses as  
31 a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to  
32 RCW 82.14.020 are final and not appealable.

33 (c) A public facilities district may increase its rate of tax after  
34 it has received written notice from the department as provided in (b)  
35 of this subsection. The increase in the rate of tax must be made in  
36 0.001 percent increments and must be the least amount necessary to  
37 mitigate the net loss in sales and use tax collections as a result of

1 RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW  
2 82.14.020. The increase in the rate of tax is subject to RCW  
3 82.14.055.

4 (3) The tax imposed under subsection (1) of this section shall be  
5 deducted from the amount of tax otherwise required to be collected or  
6 paid over to the department of revenue under chapter 82.08 or 82.12  
7 RCW. The department of revenue shall perform the collection of such  
8 taxes on behalf of the county at no cost to the public facilities  
9 district.

10 (4) No tax may be collected under this section before August 1,  
11 2000. The tax imposed in this section shall expire when the bonds  
12 issued for the construction of the regional center and related parking  
13 facilities are retired, but not more than twenty-five years after the  
14 tax is first collected.

15 (5) Moneys collected under this section shall only be used for the  
16 purposes set forth in RCW 35.57.020 and must be matched with an amount  
17 from other public or private sources equal to thirty-three percent of  
18 the amount collected under this section, provided that amounts  
19 generated from nonvoter approved taxes authorized under chapter 35.57  
20 RCW or nonvoter approved taxes authorized under chapter 36.100 RCW  
21 shall not constitute a public or private source. For the purpose of  
22 this section, public or private sources includes, but is not limited to  
23 cash or in-kind contributions used in all phases of the development or  
24 improvement of the regional center, land that is donated and used for  
25 the siting of the regional center, cash or in-kind contributions from  
26 public or private foundations, or amounts attributed to private sector  
27 partners as part of a public and private partnership agreement  
28 negotiated by the public facilities district.

29 (6) The combined total tax levied under this section shall not be  
30 greater than 0.037 percent. If both a public facilities district  
31 created under chapter 35.57 RCW and a public facilities district  
32 created under chapter 36.100 RCW impose a tax under this section, the  
33 tax imposed by a public facilities district created under chapter 35.57  
34 RCW shall be credited against the tax imposed by a public facilities  
35 district created under chapter 36.100 RCW.

36 (7) A public facilities district created under chapter 36.100 RCW  
37 is not eligible to impose the tax under this section if the legislative

1 authority of the county where the public facilities district is located  
2 has imposed a sales and use tax under RCW 82.14.0485 or 82.14.0494.

3 NEW SECTION. **Sec. 6.** RCW 82.14.485 (Sales and use taxes for  
4 regional centers) and 2007 c 486 s 3 are each repealed.

5 NEW SECTION. **Sec. 7.** Section 4 of this act expires July 1, 2008.

6 NEW SECTION. **Sec. 8.** Section 5 of this act takes effect July 1,  
7 2008.

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